



USAID
FROM THE AMERICAN PEOPLE

PAKISTAN

FACT SHEET

July 2009

Partnership for Economic Growth

Sustained economic growth and job creation are critical to Pakistan's political and economic stability. Since 2003, USAID's Economic Growth Program has increased incomes and employment for Pakistanis by working to stimulate investment and business activities. The program supports efforts to strengthen businesses, improve agricultural productivity, and rehabilitate the energy sector. In 2009, USAID will launch several new programs in micro, small and medium business development, economic reform, workforce development, trade, energy efficiency and agriculture.

Strengthening Businesses: In March 2006, in partnership with Pakistan's Ministry of Finance, USAID created the Competitiveness Support Fund (CSF) to introduce competitiveness and innovation in agribusiness and regional business development. The CSF develops businesses and venture capital using Government of Pakistan (GOP) funds. CSF also assists Pakistan's Board of Investment to develop and implement an integrated investment strategy to attract investments.

Beginning in June 2009, USAID's Empower Pakistan: Firms project will help firms in key industrial, agricultural, and service sectors to add value to their products, expand their reach in domestic markets, increase exports, and create jobs. Assistance will simultaneously improve the environment in which businesses operate through private-sector led reforms at the district, provincial, and federal levels. The project expands on prior USAID assistance to small- and medium-sized enterprises (SMEs) in the gems and jewelry, dairy, marble and granite, horticulture, furniture and surgical instruments sectors that has already led to the investment of over \$110 million in private and public funds and generated 40 policy reforms.

Improving Agricultural Productivity: Since 2004, USAID has supported a United Nations project in Baluchistan to improve agricultural practices. Implemented in collaboration with Baluchistan's Department of Agriculture, the project assists farmers to improve water resource management that increases on-farm water use efficiency by 40 percent; improves agricultural production and agro-processing by introducing high-value, water-efficient crops; and improves livestock production by 30 percent by introducing new



A Pakistani woman tends to a vegetable garden in her backyard. USAID has increased the incomes of such women through women's community groups.

Accomplishments

Strengthening Businesses

- Created Strategic Working Groups (SWOGs) to develop sector-specific strategies, resulting in \$17 million invested in the private sector
- \$102 million from GOP to implement SWOG recommendations
- In 2006, USAID-funded Competitiveness Support Fund published first-ever State of Pakistan's Competitiveness Report

Improving Agricultural Proficiency

- Since 2004, increased household income by 23 percent, benefiting over 25,000 persons in 249 community organizations, including 77 for women
- Funded the creation of an avian influenza laboratory, the only regional facility that can conduct surveillance and testing services

animal husbandry, feed and rangeland management practices. USAID has expanded this program from its originally targeted three districts to six.

Promoting Energy Security: USAID is working closely with the GOP in strategic policy development and providing targeted feasibility studies to assist with the development of conventional and alternative energy resources to improve the efficiency of energy use.

USAID recently started the Empower Pakistan: Energy Efficiency and Capacity Building program to address the 5,000 MW shortfall that threatens business and undermines Pakistan's economic and social stability. Currently, Pakistan is a high-cost energy producer with low-energy efficiency. Over three years, the project will significantly reduce the country's shortfall by recovering 1,500 MW of power through energy efficiency and conservation. A multi-faceted and coordinated approach will include conducting energy audits of firms, facilitating a shift to energy-efficient equipment, improving building codes, and launching public information campaigns.

Under USAID's South Asia Regional Initiative for Energy (SARI/Energy), USAID completed wind and solar energy resource assessment maps of Pakistan to assist the GOP respond to its energy needs and develop renewable energy resources. SARI/Energy is helping set up a GOP-funded exchange with American electric utilities through which GOP officials from the energy sector can receive on-the-job training.

Training Youth: Beginning in May 2009, USAID is working with Care International to provide training and locate employment for 100,000 unemployed and under-employed youth. The Empower Pakistan: Jobs program will overcome the education/employment gap by assisting private-sector led development of courses that train youth in the needed skills. Given the large portion of Pakistan's economy composed of microenterprises, the program will also train youth in entrepreneurial skills. A further component of the program will provide extensive workforce and lifeskills training for women and men with less than eight years of education.

Expanding Financial Services: Through Khushhali Bank (KB), USAID is expanding micro-credit opportunities to predominantly rural populations where other microfinance providers have been unable to work. Using non-financial incentives (i.e. small infrastructure and vocational training) and coordinating with local leaders and media campaigns, USAID mobilizes communities to gain the trust of potential micro-credit clients. KB has 93,872 active clients, 20 percent of whom are women.

USAID assistance has been instrumental in expanding microfinance opportunities in Pakistan, increasing the financial sustainability of



Shahabuddin, a farmer in Baluchistan, is one of 16,000 Pakistanis who have benefited from the water resource activities of USAID's agriculture project. Photo: Ammara Durrani, USAID

Accomplishments

Promoting Energy Security

- Completed wind and solar energy resource assessment maps of Pakistan
- Trained more than 250 regulators, parliamentarians & energy sector employees in the U.S and internationally

Expanding Financial Services

- 25 Khushhali Bank branches established
- Since 2003, distributed 404,390 loans worth \$58.8 million
- More than 700 lenders trained in business skills and 48 trainings for loan officers, risk managers and product managers
- 1,000 borrowers trained in vocational and managerial skills

Increasing Food Security

- As of December 2008, 10,181 metric tons of wheat distributed in 3,028 schools, benefiting 1,472,677 people
- Doubled overall enrollment in targeted school, and tripled enrollment for girls

microfinance institutions and enabling microfinance institutions to provide larger loans to micro-enterprises.

Increasing Food Security: USAID is currently distributing food to 12 food-insecure districts in Baluchistan and the NWFP through the United Nations World Food Program (WFP). The program provides targeted food assistance to families through students enrolled in primary schools. These “take home” rations serve as an incentive to the families to keep their children in school during these economically difficult times. WFP reports that throughout Pakistan enrollment in participating schools has doubled overall, and tripled for girls.

Ongoing Activities

Empower Pakistan: Firms

Period: May 2009 – May 2013
Funding: \$89,753,164
Implementing Partner: Chemonics
GOP Partner: Various

Empower Pakistan: Jobs

Period: May 2009 – May 2014
Funding: \$80,000,000
Implementing Partner: Care International
GOP Partner: Various

Empower Pakistan: Energy Efficiency and Capacity

Period: March 2009 – March 2012
Funding: \$23,485,301
Implementing Partner: IRG
GOP Partner: Various

Developing Financial Services for Communities without Credit

Period: September 2003 - September 2010
Funding: \$11,052,588
Implementing Partner: Khushhali Bank (KB)
GOP Partner: None



CSF signed a Memorandum of Understanding with Pakistan's Board of Investment to improve the country's investment climate and enhance the competitiveness of Pakistan's economy Photo: CSF

Competitiveness Support Fund (CSF)

Period: February 2006 – June 2009
Funding: \$11,822,786
Implementing Partner: Ministry of Finance
GOP Partner: Ministry of Finance

Improve Agricultural Practices in Baluchistan

Period: November 2004 – December 2011
Funding: \$15,005,239
Implementing Partner: Food & Agriculture Organization of the United Nations
GOP Partner: Ministry of Food, Agriculture and Livestock

South Asia Regional Initiative (SARI)/Energy

Period: 2000 - 2010
Funding: \$65,000,000 (funded regionally)
Implementing Partner: None
GOP Partner: Various

Empower Pakistan: Energy Policy

Period: October 2008 - October 2010
Funding: \$6,000,000
Implementing Partner: Advanced Engineering Associates, Intl.
GOP Partner: Various

Empower Pakistan: Performance

Period: March 2009 - March 2014
Funding: \$25,000,000
Implementing Partner: The QED Group
GOP Partner: Ministry of Finance

Food Security Relief Program

Period: 2008 - 2009
Funding: \$8,378,000
Implementing Partner: World Food Program
GOP Partner: Ministry of Food, Agriculture and Livestock
